

**14th SESSION OF THE SUBCOMMITTEE
ON PROGRAM, BUDGET, AND ADMINISTRATION
OF THE EXECUTIVE COMMITTEE**

Washington, D.C., USA, 25-27 March 2020

Provisional Agenda Item 4.3

SPBA14/8
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PROGRAMMING OF THE BUDGET SURPLUS

Background

1. Financial Regulation 4.6 stipulates that any balance of the funded Assessed Contributions and Budgeted Miscellaneous Revenue not committed by the end of the current budgetary period, or not authorized to be carried over into the subsequent budgetary period, shall be used to replenish the Working Capital Fund to its authorized level. Thereafter, any balance will be transferred to surplus and made available for subsequent use in accordance with the resolutions adopted by the Pan American Sanitary Conference or Directing Council.

2. The Director estimates a budget surplus of US\$ 5,134,431¹ for the 2018-2019 biennium. However, the final figure will not be available until the External Auditor completes and signs the audit of the Pan American Health Organization's (PAHO) financial statements for 2019, which must occur on or before 15 April 2020.²

Proposal

3. Upon the completion of the audit of the 2019 financial statements, any budget surplus will first go to replenish the Working Capital Fund to its authorized level of \$25.0 million. Given that the balance of this Fund as of 31 December 2019 was \$21.7 million, \$3.3 million of the budget surplus will go to replenish it.

4. According to PAHO Financial Regulation 4.6, the remaining \$1,834,431 may be available for subsequent use in accordance with the resolutions adopted by the Conference or Directing Council.

¹ Unless otherwise indicated, all monetary figures in this report are expressed in United States dollars.

² According to PAHO Financial Regulation 14.9.

5. Given the financial situation of the Organization, the Director proposes to leave this amount unallocated until a proposal is presented to the 166th Session of the Executive Committee. The proposed allocation of the 2018-2019 Budget Surplus balance is presented below:

Fund	Purpose	Amount (US\$)
Working Capital Fund	To replenish the Working Capital Fund to its authorized level of \$25 million, in accordance with Financial Regulation 4.6. The balance of the Working Capital Fund as of 31 December 2019 is \$21.7 million.	\$3,300,000
Total proposed for allocation		\$3,300,000
Remaining Unallocated Amount		\$1,834,431

Action by the Subcommittee on Program, Budget, and Administration

6. The Subcommittee is invited to take note of this report and make any recommendations it deems pertinent.
